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April 28, 2004

VIA ELECTRONIC MAIL SERVICE AND 1ST CLASS MAIL SERVICE

The Honorable Bruce Duke
Executive Director
South Carolina Public Service Commission
PO Drawer 11649
Columbia SC 29211

RE: Application of RedSquare Corporation for a Certificate of Public Convenience and Necessity to Provide Resold Local Exchange and Interexchange Telecommunications Services, for Flexible Rate Structure for Local Exchange Service Offerings First Approved in Docket No. 97-467-C and for Alternative Regulation First Approved in Docket No. 95-661-C
Docket No. 623-10129, Our File No. 623-10129

Dear Mr. Duke:

Enclosed is the original and twenty-five (25) copies of the **Testimony of Daniel Wentz** filed on behalf of RedSquare Corporation in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,

/S/

John J. Pringle, Jr.

JJP/cr

cc: Mr. Daniel Wentz
all parties of record

Enclosures

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**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-43-C**

In the Matter of the Application of RedSquare Corporation for a Certificate of Public Convenience and Necessity to Provide Resold Local Exchange and Interexchange Telecommunication Services, for Flexible Rate Structure for Local Exchange Service Offerings First Approved in Docket No. 97-467-C and for Alternative Regulation First Approved in Docket No. 95-661-C
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PRE-FILED DIRECT TESTIMONY OF

DANIEL WENTZ

OF BEHALF OF REDSQUARE CORPORATION

1 **Q. Please state your name and business address.**

2 A. My name is Daniel Wentz. My business address is 9325 Alameda Harbor Ave., Las Vegas NV
3 89117.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President and CEO of RedSquare Corporation (“RedSquare” or the “Company”).
7

8 **Q. Please give a brief description of your background and experience.**

9 A. I am a lawyer, holding licenses to practice law (active) in the states of Colorado, North Carolina,
10 Minnesota and (inactive) and North Dakota. I currently head the real estate development companies
11 and investment companies and have been the principal investor and chairman of the board to
12 corporations providing services to the general public and business community that have included
13 ISPs, Internet software development, internet web-hosting, and telephone software companies. Some

1 have been sold to a publicly traded Carolina telephone company.

2
3 **Q. What is the purpose of your testimony?**

4 A. The purpose of my testimony is to present evidence describing the technical, managerial and financial
5 fitness of RedSquare to provide facilities-based local and resold interexchange telecommunications
6 services in South Carolina. This testimony will also describe the services proposed by RedSquare
7 and the proposed tariff structure. Finally, the purpose of my testimony is to show that the public
8 interest will be served by approval of the application of RedSquare for a certificate of public
9 convenience and necessity.
10

11 **Q. Has RedSquare registered to do business in South Carolina?**

12 A. Yes. RedSquare received authority as a foreign corporation to transact business in South
13 Carolina inon December 29, 2003. A copy of that Application was attached to the Application as
14 Exhibit A.
15

16 **Q. Please explain the Company's corporate structure.**

17 A. RedSquare is incorporated under the laws of the State of Nevada, as demonstrated by Exhibit B.
18

19 **Q. Please describe the services RedSquare proposes to offer.**

20 A. RedSquare will provide local exchange telecommunications service via the unbundled network
21 platform ("UNE-P"), and resold interexchange telecommunications services. Service is provided
22 primarily to business customers. Service is provided twenty-four (24) hours per day, seven (7) days a
23 week.
24

1 **Q. Does RedSquare own any network switches or transmission facilities used in routing calls?**

2 A. No.

3
4 **Q. How will RedSquare bill for its services?**

5 A. Calls are billed directly by the Company. Per Commission Rule 103-612, RedSquare will file a copy
6 of its bill form with the Commission.

7
8 **Q. How are trouble reports handled?**

9 A. RedSquare will utilize a toll-free number, for customer service. The Company will provide that
10 number at the hearing or along with its final tariff.

11
12 **Q. How are billing errors and complaints handled?**

13 A. In addition to calling the company's toll-free number, Customers may also contact the Company via
14 mail at RedSquare's headquarters location, or via email.

15 .
16 **Q. Describe the proposed RedSquare South Carolina tariffs.**

17 A. RedSquare has included a proposed tariff that contains the rules, regulations and rates for
18 RedSquare's local and interexchange services. RedSquare proposes to resell interexchange
19 telecommunications services including travel service available through toll-free access. The portion
20 of the Company's tariff devoted to local exchange services tariff provides descriptions and rates for
21 local exchange services, including custom calling features. RedSquare's services are neither mileage
22 nor time-of-day sensitive.

23
24 **Q. Does RedSquare provide operator services?**

1 A. Yes, only to its presubscribed customers. The Company's final tariff will indicate that the maximum
2 rates for operator services charges and surcharges will not exceed those rates mandated by
3 Commission Order 2001-997 issued in Docket No. 2000-407-C.
4

5 **Q. Where is RedSquare currently certificated?**

6 A. South Carolina is the first state in which RedSquare is seeking certification. Accordingly, RedSquare
7 has not been denied certification from any state utility commission nor has it had a certificate revoked
8 in any state.
9

10 **Q. Which carriers will serve as the Company's underlying carriers?**

11 A: The Company's underlying carrier for local exchange services will be BellSouth
12 Telecommunications, Inc. and other incumbent local exchange carriers ("ILECs"). The Company
13 will resell the interexchange services of carriers that have been properly certified by this
14 Commission.
15

16 **Q. Describe RedSquare's financial ability to operate as a telecommunications carrier.**

17 A. RedSquare is financially qualified to provide the local exchange and intrastate, interexchange
18 telecommunications for which authority is requested. Financial Statements of RedSquare dated
19 September 20, 2003 were attached to the Application as Exhibit D. The Company is not planning to
20 install any plant or equipment in the state. Serving additional markets via UNE-P for local exchange
21 and resale for interexchange does not require substantial capital investment. Thus, the incremental
22 cost of expansion is minimal.
23

24 **Q. Do you believe RedSquare is capable of delivering its proposed services in South Carolina?**

1 A. Yes, in addition to having sufficient financial resources, the senior management team of RedSquare
2 has a varied and detailed background in telecommunications. Biographies of key personnel were
3 attached to the Application as Exhibit C.
4

5 **Q. Where in South Carolina does RedSquare intend to offer its services and how will those**
6 **services be offered?**

7 A. RedSquare intends to offer local telecommunications service via UNE-P, other facilities-based
8 methods, and resold interexchange telecommunications service throughout the BellSouth serving area
9 to residential and business customers.
10

11 **Q: Does the Company have offices in South Carolina?**

12 A: No. The Company does not intend to have offices in South Carolina. Accordingly, the Company
13 requests, pursuant to Commission Rule 103-610, that the Commission authorize the Company to keep
14 its books and records at its offices in Nevada and/or North Carolina. Upon request, the Company
15 will provide such books and records to the Commission and its Staff on an expedited basis and at the
16 Company's expense.
17

18 **Q: What regulatory treatment is RedSquare seeking for its local exchange services?**

19 A: RedSquare requests that the Commission allow the Company to employ a flexible local exchange rate
20 structure first authorized by Order No. 98-165 in Docket No. 97-467-C. Specifically, RedSquare
21 requests that the Commission: a) adopt for its local exchange services a competitive rate structure
22 incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate
23 levels; and b) presume that RedSquare's tariff filings for local exchange services be valid upon filing,
24 subject to the Commission's authority, within thirty (30) days, to institute an investigation of such

1 filings. At the discretion of the Commission such filings may be suspended pending further order of
2 the Commission and any such filings may be subject to the same monitoring process as the
3 Commission applies to other, similarly situated carriers.
4

5 **Q: What regulatory treatment is RedSquare seeking for its interexchange services?**

6 A: Applicant requests that its business service offerings be regulated pursuant to the procedures
7 described and set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by
8 Order No. 2001-997 in Docket No. 2000-407-C. Specifically, Applicant requests that the
9 Commission regulate its business services in the same manner as the Commission regulates those
10 of AT&T Communications of the Southern States, Inc. ("AT&T"). Further, Applicant requests
11 that the Commission: a) Remove the maximum rate tariff requirements for Applicant's business
12 services and future private line, and customer network-type offerings; b) Presume that Applicant's
13 tariff filings for these services be valid upon filing. However, if the Commission institutes an
14 investigation of a particular filing within seven (7) days, the tariff filing will be suspended until
15 further order of the Commission; and c) Grant Applicant the same treatment as AT&T in
16 connection with any future relaxation of the Commission's reporting requirements.
17

18 **Q. How will South Carolina consumers benefit from RedSquare's services?**

19 A. Granting RedSquare's application will introduce a telecommunications service provider committed to
20 providing high quality, innovative, and technologically advanced services that will further increase
21 telecommunications competition within the State of South Carolina. RedSquare's service offerings
22 will increase consumer choice, improve the quality and efficiency in telecommunications services
23 and will likely lead to the reduction of consumer costs, as well as stimulate development of additional
24 services by providing competitive incentives to other providers. Thus, granting RedSquare's

1 application is in the public interest.

2 **Q: Will the Company file all applicable reports as required by the Commission?**

3 A: Yes. The Company is aware of the Commission's requirements that all telecommunications carriers
4 file a report on South Carolina operations, a gross receipts report, and a universal service contribution
5 report on an annual basis.

6

7 **Q. Does this conclude your testimony?**

8 A. Yes.

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CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, one (1) copy of the **Testimony Of Daniel Wentz** placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

Margaret Fox, Esquire
McNair Law Firm, PA
PO Box 11390
Columbia SC 29211

/S/

Carol Roof

April 28, 2004
Columbia, South Carolina